## ESTIMATED BUDGET EFFÉCTS OF THE "TAXPAYER RELIEF ACT OF 1997" SCHEDULED FOR CONSIDERATION BY THE HOUSE OF REPRESENTATIVES ON JUNE 26, 1997

## Fiscal Years 1997 - 2007

[Millions of Dollars]

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
I. CHILD AND DEPENDENT CARE TAX CREDITS; HEALTH CARE FOR CHILDREN  1. Tax credit for children under age 17 (\$400 in														
1998 and \$500 thereafter); \$75,000/\$110,000  AGI phaseout for credit [1]	1/1/98		-2,282	-15,340	-18,117	-17,417	-17,253	-16,741	-16,463	-15,879	-15,497	-14,779	-70,410	-149,770
\$75,000/\$110,000 AGI phaseout	1/1/98		8	47	19	-38	-69	-124	-164	-214	-285	-370	-33	-1,189
of high-risk individuals	tyba 12/31/97		[2]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-7
SUBTOTAL OF CHILD AND DEPENDENT CARE TAX CREDITS; HEALTH CARE FOR CHILDRE	N		-2,274	-15,294	-18,099	-17,456	-17,323	-16,866	-16,628	-16,094	-15,783	-15,150	-70,446	-150,966
II. EDUCATION TAX INCENTIVES	-													
A. Tax Benefits Relating to Education     Expenses     Administration's HOPE scholarship tax credit														
as modified - drop B average requirement; credit is 50% of up to \$3,000 out-of-pocket													·	
tuition expenses and books required for attendance (phaseout \$40,000 - \$50,000				٠.										
singles/ \$80,000 - \$100,000 joint)	tyba 12/31/97	•••	-1,745	-5,012	-5,091	-5,173	-5,258	-5,338	-5,404	-5,471	-5,540	-5,610	-22 <b>,27</b> 8	-49,640
board expenses paid through State-sponsored prepaid tuition programs; limit deduction to \$10,000 per student per year, with aggregate														
maximum deduction of \$40,000 per student	tyba 12/31/97		-60	-179	-196	-216	-238	-261	-288	-316	-348	-383	-889	-2,485
undergraduate, post-secondary vocational, and graduate education expenses	1/1/98		-72	-213	-200	-149	-125	-114	-98	-93	-92	-91	-758	-1,246

						·	<del></del>						···	
Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
B. Expanded Education Investment Savings											·			
Opportunities								•						
<ol> <li>Permit contributions to an education investment</li> </ol>														
account for a child under age 18 (annual									•					
contributions limited to \$5,000); create private	•													
prepaid tuition programs; provide deduction for														
undergraduate and post-secondary vocational														
tuition, room, and board expenses paid through														
education investment accounts or private														
prepaid tuition programs; limit deductions to														
\$10,000 per student per year with aggregate														
maximum deduction of \$40,000 per student [3] C. Other Education Tax Provisions	tyba 12/31/97		-339	-1,087	-1,568	-1,879	-1,793	-1,852	-2,445	-2,978	-3,487	-3.998	-6.665	-21,423
Citier Education Tax Provisions     Extend employer-provided education assistance											•	,	-,	.,,,,,
for undergraduates through 12/31/97 [1]				•										
2. Raise \$150 million volume cap on 501(c)(3)	tyba 12/31/96		-171								***	• •••	-171	-171
bonds (other than hospital bonds) by \$10 million														
per year until it reaches \$200 million	1/1/98		_											
Enhanced deduction for corporate	1/1/98		-2	-14	-27	-37	-46	-50	-51	-54	-59	-70	-126	-410
contributions of computer technology and	•													
equipment for grades K - 12	tyba 12/31/97		-46	-48	<b>50</b>									
4. Phase out qualified tuition reduction provided to	(Joa 1231191		-40	48	-53	-58	-63	-69	-76	-83	-91	-100	-268	-688
employees of educational institutions (section														
117(d)); phaseout benefits - 80% in 1998, 60%														
in 1999, 40% in 2000, 20% in 2001, and												•		
repealed in 2002 (HOPE scholarship applies to														
balance)	1/1/98		12	46	83	124	169	203	213	224	025	0.47	400	
<ol><li>Administration's student loan repayment</li></ol>				,,,	00	127	103	203	213	224	235	247	433	1,556
forgiveness proposal, with public service	aiiia DOE	[4]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	101	(2)	(6)	[6]
\$150 credit for tutoring expenses	tyba 12/31/97		-20	·57	-58	-58	-59	-59	-60	-60 [~]	[2] -61	(2) -61	[5] -252	[5] -553
SUBTOTAL OF EDUCATION TAX INCENTIVES		F.43	0.440	0.504						-00	*01	-01	-202	-553
The state of the s	*******************************	[4]	-2,443	-6,564	-7,110	-7,446	-7,413	-7,540	-8,209	-8,831	-9,443	-10,066	-30,974	-75,060
III. SAVINGS AND INVESTMENT TAX INCENTIVES				-										
A. Retirement Savings									-					
Create American Dream IRAs; allow														
penalty-free rollovers from IRAs; allow special														•
purpose withdrawals from AD IRAs for first-time														
home purchase [6]	1/1/98		-184	534	435	-534	-286	-519	-1.683	2 524	2 576	4.000		
			,	004	700	-55-4	-2.00	-019	-1,003	-2,524	-3,576	-4,633	-33	-12,968

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
B. Capital Gains Provisions													4	
Capital gains: (a) 20/10% rate structure;					·									
(b) collectibles get 28%; (c) section 1250		•								a Agi	1. 1.	•		
recapture at maximum of 26%; (d) symmetric AMT	•						·			- P	1 44		1	
treatment; (e) indexing starting in 2001, 3-year														
post-2000 holding period requirement, with			**		•		:			a Year			11	
mark-to-market; (f) exemption for gain on								•						
principal residence including remainder interests				•										
(\$250,000 single/\$500,000 joint returns);										1		.**		
(g) 32% rate in 1998, 31% in 1999, and 30%										4	* .			
thereafter for corporate gains with 8-year														
holding period (effective 1/1/98); and (h) allow										1				
ordinary losses to offset capital gains of														
corporations (effective 1/1/98)	generally 5/7/97	1,659	6,288	-456	-3,673	-3,635	2,505	-4,939	-5,874	-7,118	-8,871	~10,741	2,688	-34,855
SUBTOTAL OF SAVINGS AND INVESTMENT														
TAX INCENTIVES		1,659	6,104	78	-3,238	-4,169	2,219	-5.458	-7,557	- <del>9</del> .642	-12.447	-15.374	2.655	-47.823
TAX MOLITICO	***************************************	1,000	0,104	,,	-5,250	7,103	2,213	-0,400	,-1,001	-3,042	12,771	-10,014	2,033	-47,020
IV. ALTERNATIVE MINIMUM TAX PROVISIONS														
AMT - Increase individual exemption amount by														
\$1,000 every other year 1999 through 2007,														
index thereafter	tyba 12/31/98			-53	-219	-352	-672	-1.023	-1,705	-2,440	<b>-3</b> .755	-5,138	-1,296	-15,357
Exemption from alternative minimum tax for	1,50 1201100			00	1.10	UUL	0,2	1,020	1,700	2,440	0,100	3,100	-1,230	-13,337
small corporations	tyba 12/31/97		-97	-171	-131	-100	-77	-59	-45	-34	-26	-20	-577	-762
Prospective repeal of AMT depreciation	1,00 1201101		٠,				• •		-10	<b>94</b>	20	20	3,,	-702
adjustment	ppisa 1/1/99	•		-1,265	-3,312	-3,901	-3,296	-2,693	-2,251	-1,912	-1,790	-1,770	-11,774	-22,190
Reverse IRS position on AMT treatment of	pp.od. 11 11 00			1,200	0,012	0,001	0,200	2,000	_,,	.,012	1,100	.,,,,	11,77	22,100
certain installment sales by farmers	tyba 12/31/87	-8	-157	-158	-167	-164	-157	-148	22	22	21	21	-811	-872
, ,	,,			100	, ,	,,,,		, .0			~.	•	0,,	J, L
SUBTOTAL OF ALTERNATIVE MINIMUM TAX														
PROVISIONS	***************************************	-8	-254	-1,647	-3,829	-4,517	-4,202	-3,923	-3,979	-4,364	-5,550	-6,907	-14,458	-39,181
W POTATE OUT AND OTHER ATION													-	
V. ESTATE, GIFT AND GENERATION-														
SKIPPING TAX PROVISIONS  A. Estate and Gift Tax Provisions														
1. Increase unified estate and gift tax credit to														•
\$650,000 in 1998; \$750,000 in 1999; \$765,000 in 2000; \$775,000 in 2001 through 2004,														
\$800,000 in 2005, \$825,000 in 2006; and \$1 million in 2007; and index other provisions	*													
beginning in 1999	dda 12/31/97			eto	0.004	0.000	0.500	0.700	0.460	2 000	4.000		7 ***	07.004
2. 20-year installment payment where estate	OUR 12/31/97	***	. ***	-050	-2,004	-2,303	-2,588	-2,788	-3,463	-3,688	-4,200	-5,317	-7, <b>54</b> 5	-27,001
consists largely of interest in closely held														
¥ .	dda 12/31/97							-14	-10	-7	-5	-2		-38
business	UUA 1231181					***	•••	-14	-10	*/	-5	-2		-38
portion of, estate tax extended under section				•										
	dda 12/31/97			-10	. 20	-32	-45	-59	-73	-88	-103		. 407	F40
6166	UUQ 1231131		***	-10	-20	-32	-40	-08	-/3	-00	-103	-119	-107	-549

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
Clarification of judicial review of eligibility for			<del></del>	<del></del>										1001-01
extension of time for payment of estate tax	dda DOE				400									
5. Extension of treatment of certain rents under	uua DOE			-15	-15	-15	-15	-15	-15	-14	-12	-11	-60	-127
section 2032A to lineal descendants	roa 12/31/76		-25	2	•	•		_			•			
Gifts may not be revalued for estate tax	108 1251710	•••	-20	-2	-2	-2	-5	-2	-2	-2	-2	-2	-33	-43
purposes after expiration of statute of limitations	gma DOE			16	40	04	00							
7. Repeal certain throwback rules applicable to	galla DOL	•••	•••	-16	-18	-21	-26	-32	-38	-45	-53	-61	-81	-310
domestic trusts	tyba 12/31/97			-20	20	00								
8. Unified credit of decedent increased by unified	1,24 .20			-20	-20	-20	-20	-20	-20	-20	-20	-20	-80	-180
credit of spouse used on split gift included in														
decedent's gross estate	gma DOE	•••	-9	-10	-10	-11		40	40	4.00				
9. Reformation of defective bequests, etc. to	g		.5	*10	-10	-11	-11	-12	-12	-13	-13	-14	-51	-115
spouse of decedent	dda DOE		-11	-12	-13	-13	-14	15	45	40	47			
B. Generation-Skipping Tax Provisions			•••	-12.	-13	-13	-14	-15	-15	-16	-17	-18	-63	-144
Severing of trusts holding property having an														
inclusion ratio of greater than zero	sa DOE			-6	-6	-6	-7	-7	-7	7	7			
2. Expansion of exception from				·	Ū	-0	-,	-7	-/	-7	-7	-7	-25	-60
generation-skipping transfer tax for transfers to														
individuals with deceased parents	gsta DOE			-4	-4	-4	-4	.4	-5	-5	-5	-6	40	4.4
SUBTOTAL OF ESTATE, GIFT AND GENERATION-						·	,	7	.5	-5	•0	-0	-16	-41
SKIPPING TAX PROVISIONS														
			-40	-745	-2,112	-2,427	-2,732	-2,968	-3,660	-3,905	-4,437	-5,577	-8,061	-28,608
EXPIRING TAX PROVISIONS														
Research tax credit (through 12/31/98)	6/1/97	-161	-1,062	-1,091	-470	-314	-211	-66					0.000	
2. Contributions of appreciated stock to private			,,,,,,	7,001	470	-014	-211	-00					-3,309	-3,375
foundations (through 12/31/98)	6/1/97		-80	-61	-9	-2							454	
3. Extend a modified work opportunity tax credit			00	٠.	-3	-2	•••	•••	***	***			-151	-151
for one year (through 9/30/98); make the					•									
WOTC an exception to the calculation of the														
AMT (effective taxable years beginning after														
12/31/97) [7]	wpoifhma 9/30/97		-243	-179	-76	-18	-1	3	2	***			E10	£40
Orphan drug tax credit (permanent)	6/1/97		-29	-28	-30	-32	-34	-35	-37	-39	-40	-42	-519 -152	-512 -346
							•	-	٠,		-40	-42	132	-340
SUBTOTAL OF EXPIRING TAX PROVISIONS		464		4.050										
SUBTOTAL OF EXPIRING TAX PROVISIONS	)*************************************	-161	-1,414	-1,359	-585	-366	-246	-98	-35	-39	-40	-42	-4,131	
	•••••••••••••••••••••••••••••••••••••••	-161		-1,359	-585	<b>-366</b>	-246	-98	-35	-39	-40	-42	-4,131	
DISTRICT OF COLUMBIA TAX INCENTIVES [8]		-161		-1,359	-585	-366	-246	-98	-35	-39	-40	<b>-42</b>	-4,131	
DISTRICT OF COLUMBIA TAX INCENTIVES [8]  1. Designate existing D.C. enterprise community and		-161		-1,359	-585	<b>-366</b>	-246	-98	-35	-39	-40	-42 !	-4,131	
DISTRICT OF COLUMBIA TAX INCENTIVES [8]  1. Designate existing D.C. enterprise community and census tracts with greater than 35% poverty as the		-161		-1,359	<b>-585</b>	<b>-366</b>	-246	-98	-35	-39	<b>-40</b>	-42 4 4 4	-4,131	
DISTRICT OF COLUMBIA TAX INCENTIVES [8]  1. Designate existing D.C. enterprise community and census tracts with greater than 35% poverty as the D.C. Enterprise Zone, eligible for modified present-lay		-161		-1,3 <b>59</b>	-585	-366	-246	-98	-35	-39	<b>-40</b>	-42	-4,131	
DISTRICT OF COLUMBIA TAX INCENTIVES [8]  1. Designate existing D.C. enterprise community and census tracts with greater than 35% poverty as the D.C. Enterprise Zone, eligible for modified present-lav empowerment zone incentives (20% wage credit;	v	-161		-1,359	-585	<b>-366</b>	-246	-98	-35	-39	-40	-42 & & & & &	-4,131	-4,384
DISTRICT OF COLUMBIA TAX INCENTIVES [8]  1. Designate existing D.C. enterprise community and census tracts with greater than 35% poverty as the D.C. Enterprise Zone, eligible for modified present-lav empowerment zone incentives (20% wage credit; increased 179 expensing), and expanded tax-exempt	v	-161	-1,414								-40	-42	-4,131	
DISTRICT OF COLUMBIA TAX INCENTIVES [8]  1. Designate existing D.C. enterprise community and census tracts with greater than 35% poverty as the D.C. Enterprise Zone, eligible for modified present-lav empowerment zone incentives (20% wage credit; increased 179 expensing), and expanded tax-exempt financing; sunset 12/31/02	v	-161		<b>-1,359</b>	-5 <b>85</b> -21	<b>-366</b>	- <b>246</b> -25	- <b>98</b>	-35 -3	<b>-39</b> -3	<b>-40</b>	-42 -4 -4 -3	-4,131 -101	
DISTRICT OF COLUMBIA TAX INCENTIVES [8]  1. Designate existing D.C. enterprise community and census tracts with greater than 35% poverty as the D.C. Enterprise Zone, eligible for modified present-lav empowerment zone incentives (20% wage credit; increased 179 expensing), and expanded tax-exempt financing; sunset 12/31/02	v	-161	-1,414											-4,384
DISTRICT OF COLUMBIA TAX INCENTIVES [8]  1. Designate existing D.C. enterprise community and census tracts with greater than 35% poverty as the D.C. Enterprise Zone, eligible for modified present-law empowerment zone incentives (20% wage credit; increased 179 expensing), and expanded tax-exempt financing; sunset 12/31/02	v 1/1/98		<b>-1,414</b>	-20	-21	-23	-25	-12	-3	-3	-3			-4,384
DISTRICT OF COLUMBIA TAX INCENTIVES [8]  1. Designate existing D.C. enterprise community and census tracts with greater than 35% poverty as the D.C. Enterprise Zone, eligible for modified present-law empowerment zone incentives (20% wage credit; increased 179 expensing), and expanded tax-exempt financing; sunset 12/31/02	v	-161	-1,414											-4,384
1. Designate existing D.C. enterprise community and census tracts with greater than 35% poverty as the D.C. Enterprise Zone, eligible for modified present-law empowerment zone incentives (20% wage credit; increased 179 expensing), and expanded tax-exempt financing; sunset 12/31/02	v 1/1/98		<b>-1,414</b>	-20	-21	-23	-25	-12	-3	-3	-3	-3	-101	<b>-4,384</b> -124
DISTRICT OF COLUMBIA TAX INCENTIVES [8]  1. Designate existing D.C. enterprise community and census tracts with greater than 35% poverty as the D.C. Enterprise Zone, eligible for modified present-law empowerment zone incentives (20% wage credit; increased 179 expensing), and expanded tax-exempt financing; sunset 12/31/02	v 1/1/98		<b>-1,414</b>	-20	-21	-23	-25	-12	-3	-3	-3	-3	-101	- <b>4,384</b> -124

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
4. Reduce 15% income tax bracket to 10% for														
residents of new D.C. Enterprise Zone	1/1/98		-18	-28	-30	-31	-33	-35	-36	-38	-40	-42	-141	-332
SUBTOTAL OF DISTRICT OF COLUMBIA						•								÷
TAX INCENTIVES			-35	-59	-73	-82	-72	-54	-46	-46	-49	-53	-321	-571
VIII. WELFARE-TO-WORK TAX CREDIT														
1. Administration's welfare-to-work credit, as							•					•		
modified: (a) wage credit is 35% on first														
\$10,000 of wages in the first year of												•		
employment, and 50% on \$10,000 of wages in														
the second year of employment; (b) effective for									-					
hires made before 4/30/99	wpoifhma 12/31/97		-13	-31	-29	-15	-10	-4	-2	-1			-99	-106
SUBTOTAL OF WELFARE-TO-WORK TAX CREDIT	***************************************	***	-13	-31	-29	-15	-10	4	-2	1			-99	-106
W MICOSI I ANEQUO PROVIDIONO									•					
IX. MISCELLANEOUS PROVISIONS													•	
A. Provisions Relating to Excise Taxes														
Repeal excise tax on recreational	4/4/00		4		_	4							40	00
motorboat diesel fuel	1/1/98	f01	-4	-5	-5	-1	-1 (0)	-1	-1	-1	-1	-1	-16	-22
2. Modify excise tax on imported halons	DOE	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	. 1	1
B. Provisions Relating to Disasters														
Disaster losses: postponement of IRS deadlines     and loss valuation.							<b>A</b> ( = = 6 = 3 = 4 = 1	O						
and loss valuation.	aoty						Negligible	нечепие в	:116CI					
Modify tax treatment of livestock sold on	sea 12/31/96		-12	-2	-2	2							40	00
account of certain weather-related conditions  3. Loosen mortgage revenue bond requirements	Sea 12/31/30		-12	-2	2	•2	-1	-1	-1	*1	-1	-1	-18	-23
in disaster areas for 1997 through 1999	bia 12/31/96		-1	-5	-8	-8	-8	-7	-6	-6	-5	-4	-31	-59
C. Provisions Relating to Employment Taxes	bid 12/31/30		-1	-5	-0	*0	-0	-7	-0	-0	-5	-4	-31	-09
Independent contractor for bakery drivers	spa 12/31/97		-13	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	-15	-18
Independent contractor for bakery drivers  Independent contractor for securities brokers	-		-10	[10]	[10]		Nealiaible			[10]	[10]	[10]	-13	10
SECA for insurance agents	pa 12/31/97						Negligible Negligible							
Safe harbor for independent contractors [11]	pa 12/31/97		-191	-203	-202	-206	-210	-214	-224	-233	-239	-283	-1,012	-2,205
D. Provisions Relating to Small Businesses	pa imolior		101	200	LUL	200	210	-2.14	-227	-200	-200	-200	-1,012	-2,200
Delay imposition of penalties for failure to make														
payments electronically through EFTPS until													•	
after 12/31/98	7/1/97	•	-904	904				404	•••			•••	4	
2. Definition of principal place of business for				•••										
home office deduction	tyba 12/31/97	•••	-114	-234	-244	-253	-263	-274	-285	-295	-306	-318	-1.109	-2.587
E. Provisions Relating to Pensions				· · ·			/						.,	_,_,
1. Water districts made eligible for 401(k) plans										1				
even if State or local entity	1/1/98		[10]	-1	-1	-1	-2	-2	-2	-2	-2	-3	-6	-15
2. Modify section 415 limits for certain State and														
local plans	tyba 12/31/97		-9	-25	-25	-26	-26	-26	-27	-27	-27	-28	-111	-246
3. Extend moratorium on nondiscrimination rules														
for public pension plans (permanent)	DOE ·-						Negligible	Revenue L	Effect					
4. Treatment of certain disability benefits received													-	
by former police officers or firefighters														

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-0
5. Estate tax relief for money going to ESOPs in										η				
existence on 8/1/96 and decedents dying														
before 1/1/99	DOE													
6. ESOP technicals	tyba 12/31/97		-8	-15									-23	-23
7. Increase the amount from \$3,500 to \$5,000 on	tyba 12/31/97						Negligible	Revenue i	Effect • • •	· • • ·				
involuntary cash out from pension plans	d DOC	(4)		_										
Noncommercial aircraft flight fringe benefit	dma DOE	[9]	2	6	7	7	7	8	8	9	9	10	29	7
F. Trade Provision: 2-year GSP	tyba 12/31/97	***	-3	-4	-4	-4	-4	-4	-4	-4	-4	-4	-19	-3
Extension [12]	6/1/97		-464	-216			***	***					-680	-68
G. Extend CBI Parity Through 12/31/98 [12]	1/1/98		-160	-57				****					-217	-21
Shrinkage allowance for inventory accounting		***	-7	-21	-23	-25	-27	-29	-31	-33	-35	-37	-103	-26
2. Include fiability to pay compensation under														
workmen's compensation acts within rules														
relating to certain personal liability assignments	cfa DOE		-1	-2	-5	-8	-12	-17	-23	-29	-32	-36	-27	-16
Grandfather publicly traded partnerships with														
tax on gross receipts to make revenue neutral	tyba 12/31/97		<b></b> -		- <i></i>		Rever	าน <mark>e N</mark> eutra	1		<i></i>			
4. Exclusion from UBTI for certain corporate													•	
sponsorship payments	pra 12/31/97	· <b>- · · · ·</b>		·			Negligible	Revenue L	ffect		<b></b> .			
5. Allow timeshare associations to elect to be														
taxed as homeowner associations at 32%	tyba 12/31/96	·			· · · · · ·		Negligible	Revenue L	Effect		<b>.</b>			
6. Allow refunding of certain tax-exempt Virgin							• •							
Islands bonds [13]	bia DOE	•••	-2	-4	-5	-5	-5	-3	1	-3	-4	-4	-21	-:
7. Restore the business meals deduction to														`
80% in 5% increments every other year for														
persons subject to Federal hours of service														
timitation	tyba 12/31/97		-8	-17	-27	-37	-49	-62	-76	·91	-108	-125	-138	-60
Clarify tax-exempt status of certain State									, ,	٧.		120	-130	*00
workmen's compensation funds	tyba 12/31/97		[2]	[2]	-1	-1	-1	-1	-1	-1	-1	-1	-2	
9. Deferral of gain on sales of stock in farm							•	•	•	,	- 1	. *1	-2	
product refining firms to farm coops which														
supply the firm with raw farm products for														
refining	sea 12/31/97		-2	-5	-5	-5	-4	1	-4	-4	-4		04	
10. Treatment of consolidation of certain mutual			-	·	•	•		-4		-4	-4	-4	-21	-4
savings bank life insurance departments	12/31/91		-25	-9	-9	-9	-9	-9	-8	-6	6		04	,
11. Modification to the OECD Shipbuilding Trade			Lo	J	-5	-3	3	-9	-0	-0	-6	-6	-61	-6
Agreement - extend 1 year from DOE [12]	•••		-8						•					
12. 109% prior year safe harbor for 1997 and 105%			-0		***	•••			•••	***			-8	
prior year safe harbor for 1998		-481	-2,619	3,100										
13. Exempt from income taxation income earned by		-701	-2,013	3,100			•••		***					-
law enforcement officers killed in the line of														
duty during the year of their death	tvba 12/31/96		-2	-1	_1	4		4	4					
14. Optional withholding adjustment			-5583	5583	-1	-1	-1	-1	-1	-1	-1	-1	-6	-1
15. Exemption for incremental cost of clean-fuel			-0000	2003		• •••				**-				-
vehicle from fuxury tax and limits on														
depreciation	DOE	(0)	4	4	(0)	tol	(0)	to	101	101			_	
16. Repeal 65% net income limitation with respect	DOE	[2]	-1	-1	[2]	[2]	(2)	[2]	(2)	[2]	[2]	[2]	-2	
to percentage depletion related to marginal														
	h.h. 000													
production	tyba DOE	***	-64	-77	-23		+	***	***	***	***		-164	-16

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
17. Treat certain gasoline retailers as wholesale														
distributors under gasoline tax refund rules	DOE ··	·	· • • • • • • • •				Negligible	Revenue	Effect					
SUBTOTAL OF MISCELLANEOUS PROVISIONS	••••••••••••	-481	-10,214	8,689	-583	-585	-616	-647	-687	-728	-767	-846	-3,791	-7,468
X. REVENUE PROVISIONS				-									*	
A. Financial Products				•										
Constructive sales treatment for appreciated											. • •			
financial positions	cseia 6/8/97		367	121	68	73	79	85	91	98	105	112	708	1.199
2. Disallowance of interest on indebtedness	•												A contract of	•
allocable to tax-exempt obligations (\$1 million														
de minimis)	tyba DOE oaa dofca		8	18	24	29	35	41	47	52	57	62	113	372
<ol><li>Gains or losses from certain terminations with</li></ol>														
respect to property	30da DOE		15	27	25	25	25	25	25	25	25	25	117	242
Determination of original issue discount where											•		*	
pooled debt obligations subject to acceleration	tyba DOE	***	76	275	358	319	283	100	105	109	114	118	1,311	1,857
<ol><li>Denial of interest deduction on certain debt</li></ol>														
instruments	iia 6/8/97		5	16	29	43	55	62	63	64	65	67	148	469
B. Corporate Organizations and Reorganizations														
Tax treatment of certain extraordinary	da 5/3/95 or							-						
dividends	da 9/13/95		440	-90	-51	-7	42	71	77	82	89	95	334	748 -
Recognition of gain in certain section 355														
transactions	da 4/16/97		567	330	289	248	206	165	124	83	41	3	1,640	2,056
Tax treatment of redemptions involving related					_	_	_	_	_	_				
corporations.	da/a 6/8/97		10	10	5	5	5	5	5	5	5	5	35	60
Modify holding period for dividends-received  deduction	des es 20de DOE		40	45		40	40 :	40	4.9		4 114			
C. Other Corporate Provisions	droaa 30da DOE		12	15	15	16	16	16	17	17	17	18	74	159
Registration and other provisions relating to														
confidential corporate tax shelters	tsoaiTg	***	15	37	38	20	44	40	40	44	40	47	470	000
Certain preferred stock treated as "boot"	•		35	37	39	39 41	41 43	42 10	43 10	44 11	46 11	47 12	170 194	392 248
D. Administrative Provisions	ta 0/0/3/	***	33	3,	33	71	40	10	10	- ''	- 11	12	194	240
Reporting of certain payments made to											•		.*	
attorneys	pma 12/31/97			3	3	3	3	3	4	4	4	4	12	31
Decrease of threshold for reporting payments to	pilla raiotro			,	Ū	Ū	J	v	•	7	•	7	12	31
corporations performing services for Federal														
agencies	rd 90da DOE			7	8	9	10	11	11	12	12	13	34	93
3. Disclosure of return information for	•			-		•	• •	• •					•	00
administration of certain Veterans' programs [12]	dma 9/30/98			22	27	31	36	36	37	38	38	39	116	304
Modify levy exemption and provide continuous						•			•	-		•		00.
levy on certain payments	lia DOE	•••	332	327	256	213	157	117	102	86	82	78	1,285	1.750
5. Consistency requirement for returns of			_									. 3	.,200	.,
beneficiaries of estates and trusts	rfa DOE		3	3	. 3	3	3	3	4	4	4	4	- 15	34
6. No information reporting on sales of principal	0													- '
residences less than \$250,000 or \$500,000														
(married filing joint return)	DOE -						Mealiaible	Qayanya I	EHaat					

Page 8

	Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
ε.	Excise Tax Provisions					· · · · · · · · · · · · · · · · · · ·									
	. Extend and modify Airport Trust Fund excise														
	taxes:														
	a. Extend domestic air passenger ticket tax;														
	reduce tax rate from 10% to 7.5% of ticket														
	price; impose an additional tax of \$2.00 per														
	flight segment for 10/1/97 through 12/31/98,														
	\$2.25/segment in 1999, \$2.50/segment in														
	2000, \$2.75/segment in 2001, and														
	\$3.00/segment in 2002, and in years there-														
	after index the \$3.00/segment tax to changes														
	in the CPI (first indexing adjustment on														
	1/1/03); and impose 7.5% tax on														
	payments to airlines for air travel under							•							
	credit card and similar programs	10/1/97		4,434	4 704	E 000	E E4.4	r 057	0.000						
	b. Modify airline ticket tax deposit rule to	10/1/97	•••	4,434	4,704	5,098	5,514	5,957	6,368	6,781	7,220	7,690	8,176	25,707	61,943
	suspend deposits due 8/15/97 to 9/30/97														
	until 10/10/97, and suspend deposits due														
	6/1/98 to 9/30/98 until 10/10/98	DOE	-1,017	1 751	0.700										
	c. Require breakout of airfare and tax in airline	DOE	*1,017	-1,751	2,768	*	***		***				•••	***	***
	advertising	10/1/97													
	d. Extend current air cargo excise tax	10/1/97		304	347		400		renue Effe		· · · · · · · · · · · ·			• • • • • • • • •	
	e. Extend international departure fee, raise fee	10/1/9/		304	347	377	409	443	481	522	567	615	667	1,880	4,732
	to \$15.50/passenger, charge arrivals at the														
	same fee rate, and index the \$15.50 fee to														
	changes in the CPI (first indexing adjustment														
		10/1/07		4 000		4 004									
	on 1/1/99)	10/1/97		1,020	1,141	1,231	1,332	1,445	1,565	1,697	1,833	1,979	2,137	6,170	15,381
		10///07													
	aviation gasoline and jet fuel	10/1/97		84	87	89	91	93	95	97	99	102	104	446	943
	g. Dedicate 4.3 cents/gallon of tax on aviation	4044107													
•	fuel to the Airport and Airway Trust Fund	10/1/97					• • • • • • • •		renue Effe		• • • • • •				
	. Tax kerosene in the same manner as diesel fuel	7/1/98		44	43	49	46	44	43	44	47	49	52	226	461
3	. Change in budgetary treatment of certain	4/4/00				*									
1	expiring provisions	1/1/98			***	*	395	547	556	565	574	584	594	942	3,815
		DOE	45	4.00	400										
5	9/30/02	DOE	15	129	128	128	129	131		•••				660	660
,	to be automatically covered (\$0.84 per dose)	10/1/07		(01	101										
6	Excise tax on certain prepaid phone cards	10/1/97 DOE		(9)	[2]	1	1	1	1	1	1	1	1	3	8
	Provisions Relating to Tax-Exempt	DOE	***	19	28	38	49	60	71	83	101	113	124	193	684
•	Organizations														
1	Modify control test and include attribution rules														
,	to determine UBIT consequences of certain														
	payments from subsidiaries of tax-exempt	tyba DOE &												•	
	organizations	tyba 12/31/98			4.4	•	_	,	-			ž.			
9	Carryover basis on sale of property by tax-	iyua 12/3/198	•••	ð	14	8	. 6	5	5	4	4	4	4	42	63
2	exempt related party	sea 6/8/97		(0)	(0)	toı	(0)	(0)	tos	(0)	ro*				
	Compared party	Sea 0/0/9/	•••	[9]	(9)	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	1	2

		·		·						·····				
Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
Extend reporting and proxy tax requirements for								1.4						
political and lobbying expenditures to all section					•									
501(c) organizations except charitable	h h - 40/04/07				_	_								
organizations	tyba 12/31/97		4	4	5	5	5	5	5	- 5	6	6	23	50
Repeal 1986 Act grandfather rules for pension business of certain insurers	tules 40/04/07		101		440	40.								
G. Other Revenue-Increase Provisions	tyba 12/31/97		[9]	82	116	124	128	133	140	149	160	174	450	1,208
Termination of suspense accounts for family												3	· 	
farm corporations required to use accrual								:			7.5			
method of accounting	[14]		30	34	36	37	38	40	41	40	44	45	+75	007
2. 2-year carryback and 20-year carryforward for	t of			04	50	37	36	. 40	4+	42	44	45	175	387
net operating losses	NOLgi tyba DOE		44	319	380	269	188	143	118	105	98	95	1,200	1 760
3. Modification of treatment of company-owned	,,					200	100	. 140	110	100	30	33	1,200	1,758
life insurance - pro rata disallowance of interest														
on debt to fund life insurance	cia dofca	•••	20	53	93	140	193	247	299	349	399	447	500	2,240
4. Modify the basis allocation rules for distributee					• • •					. 540	000	. 747		£,240
partners	pda DOE		26	52	55	57	59	61	64	66	69	72	249	581
<ol><li>Eliminate the substantial appreciation</li></ol>	·								•			•	2.10	. 501
requirement for inventory of a partnership	sepda DOE	,	32	66	69	73	77	80	84	89	93	98	317	761
<ol><li>Extend the 5-year time limit for taxing</li></ol>										:			. •	701
pre-contribution gain to 10 years	pcpa dofca						7	21	22	23	24	25	7	122
<ol><li>Restrict income forecast method and allow</li></ol>										· .			,	
3-year MACRS for rent-to-own property	tyba 12/31/97		29	. 41	62	78	38	27	25	17	17	18	249	351
Repeal 14-day rule on rental of vacation								•			. *	,		
properties (section 280A)	tyba 12/31/97		23	23	24	26	27	28	29	30	31	33	123	274
Expansion of requirement that involuntarily						•						•		
converted property be replaced with property										1				
acquired from an unrelated person	icoa dofca		1	4	6	8	11	13	15	17	19	21	30	115
10. Repeal installment sales grandfather rules of	total DOE	•												
1986 Act	tyba DOE	***	42	92	101	102	61	20	21	22	23	24	398	508
· ·	rda 12/31/97		2	2	2	3	. 3	3	3	3	3	3	12	27
SUBTOTAL OF REVENUE PROVISIONS	***************************************	-1,002	6,429	11,190	9,104	9,984	10,600	10,798	11,425	12,097	12,838	13,622	46,309	107,088
								•	•	,	,	,	,	,
XI. FOREIGN SIMPLIFICATION AND OTHER														
FOREIGN-RELATED PROVISIONS					•									-
A. General Provisions														
Phase in eligibility of licenses of computer														
software for foreign sales corporation benefits	gra 12/31/97	***	-18	-30	-112	-171	-178	-189	-200	-225	-250	-275	-509	1 640
2. Increase dollar limitation on section 911	<b>3</b>			-	,,,_	111	-170	-103	-200	-220	-230	-213	-509	-1,648
exclusion and index after 2007	1/1/98	:	-15	-30	-50	-67	-82	-97	-103	-111	-119	-127	-244	901
<ol><li>Simplify foreign tax credit limitation for</li></ol>	*					٠,	OL.	٠,	100	771	-113	-141	-244	-801
individuals	tyba 12/31/97		[10]	-1	-1	-1	-1	-1	-1	-1	-1 -	-1	-4	-9
Simplify translation of foreign taxes	·		[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]
<ol><li>Election to use simplified foreign tax credit</li></ol>			- •		• •		1		()	()	[]	[.0]	[,0]	ניטו
limitation for alternative minimum tax purposes	tyba 12/31/97		[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	-1	2
6. Simplify treatment of personal transactions	•						• •		• •	4		( )	•	_
in foreign currency	tyba 12/31/97		[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	-1	-2
									-	-				

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
7. Delay change to foreign tax credit limitation for														
dividends from 10/50 companies	tyba 12/31/01	,												
B. General Provisions Affecting Treatment	1900 1201101						-32	-89	-91	-93	-95	-97	-32	-497
of Controlled Foreign Corporations	various		-2	-5	-7	•	40							
C. Modification of Passive Foreign	10/1000		-2	-9	•1	-9	-10	-10	-11	-12	-13	-14	-33	-93
Investment Company Provisions to														
Eliminate Overlap With Subpart F and														
to Allow Mark-to-Market Election	tyba 12/31/97		-23	-21	-22	-24	-25							
D. Simplify Formation and Operation of	1,24 120 000		-23	-21	-22	-24	-25	-26	-27	-29	-31	-33	-115	-261
International Joint Ventures	various		[2]	[2]	-1	-1	-1							
E. Modification of Reporting Threshold for	VIII.000		[+]	رحا	-1	-1	-1	-1	-1	-1	-1	-2	-3	-9
Stock Ownership of a Foreign														
Corporation	1/1/98		[10]	-1	-2	-2	-2	-2	-2	-3	_		_	
F. Other Foreign Simplification Provisions			()	•	-	-	- <b>«.</b> -	-2.	-2	-3	-3	-3	<b>-7</b>	-20
Transition rule for certain trusts	aiii SBJPA		-1	-3	-5	-5	-5	-5	-5	-5	-5	~	40	
<ol><li>Simplify application of the stock and securities</li></ol>				•	•	•	•	-3	-5	-5	-5	-5	-19	-44
trading safe harbor	tyba 12/31/97		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	101	(a)	(0)
G. Other Foreign Provisions	•		1-2	(-)	(-)	11	[1]	[-]	[2]	(2)	[2]	[2]	[2]	[2]
Inclusion of income from notional principal														
contracts and stock lending transactions under														
subpart F	tyba DOE		9	20	21	21	21	21	22	22	22	23	92	000
Further restrict like-kind exchanges involving	•							Ψ,		E.G.	24	2.3	92	202
foreign personal property	Ta dofca		4	8	11	13	15	17	19	21	23	25	51	150
<ol><li>Impose holding period requirement for claiming</li></ol>								• •	••	۷,	2.0	. 20	31	156
foreign tax credits with respect to dividends	dpoaa 30da DOE		23	48	50	53	56	58	61	64	68	71	230	552
4. Penalties for failure to file disclosure of									• • • • • • • • • • • • • • • • • • • •	<b>V</b> -1	00	′ ′	230	352
exemption for income from the international														
operation of ships or aircraft by foreign persons	tyba 12/31/97	***	2	6	12	15	15	14	13	12	11	10	50	110
<ol><li>Limitation on treaty benefits for payments to</li></ol>											• •	••	30	110
hybrid entities	DOE		1	1	1	1	1	1	1	1	1	1	5	10
6. Clarification of determination of foreign taxes									•		•	•	· ·	10
deemed paid	DOE		[2]	[2]	[2]	[2]	(2)	[2]	[2]	[2]	[2]	[2]	[2]	[2]
7. Clarification of foreign tax credit limitation for										• •	• •	• •	1-7	(-)
financial services income	DOE		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
Interest on underpayment reduced by foreign											• •	• •	• •	1
tax credit carryback	ftpoa tyba DOE		.8	10	2	1	1	1	1	1	1	1	22	27
Determination of period of limitations relating to														
foreign tax credits	ftpoa tyba DOE		1	2	1	1,	1	1	1	1	1	1	6	11.
SUBTOTAL OF FOREIGN SIMPLIFICATION AND														
OTHER FOREIGN-RELATED PROVISIONS	***************************************	***	-11	4	-102	-175	-226	-307	-323	-250	201	405	510	0.040
				7	-104	-179	-440	-307	-323	-358	-391	-425	-512	-2,318

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
· · · · · · · · · · · · · · · · · · ·											-			
XII. SIMPLIFICATION PROVISIONS RELATING	and the Marian Control of the Contro							• •				1.		
TO INDIVIDUALS AND BUSINESSES														
A. Provisions Relating to Individuals											1.0		A	
Deduction attributable to unearned income of	\$						•						100	
dependent filers: greater of (a) present law; or														
(b) earned income plus \$250; delink dependent	N													
AMT from parent's AMT position	1/1/98		-2	-38	-35	-35	-35	-35	-35	-38	-37	-36	-146	-327
Increase de minimis threshold for estimated			_				•••	•	~~	77	•			-
tax to \$1,000	tyba 12/31/97		-134	-17	-18	-19	-20	-21	-22	-24	-25	-26	-208	-326
3. Optional methods for computing SECA														
combined; increase dollar amount to provide														
four quarters of coverage [15]	tyba 12/31/97		1	1	1	2	2	2	2	2	2	2	8	16
Treatment of certain reimbursed expenses of	.,		•	•	•	_	_	-	_	-		_	•	.0
rural mail carriers	tyba 12/31/97		[2]	-1	-1	-1	-1	-1 .	-1	-1°	-1	-1	-5	-11
Treatment of travel expenses of certain Federal	1904 1201707		[~]	,	'	•		• •	•	•	• •	•	J	• • •
employees engaged in criminal investigations	eii tyea DOE		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-2
Permit payment of taxes by any commercially	On tyou DOL		[-]	[-]	[-]	[-]	[-]	( <del>-</del> -1	[-]	[4]	[-]	1-1	•	~_
acceptable means	DOE						Negligible i	Revenue f	-ffect	<b></b>			<i></i>	
B. Provisions Relating to Businesses Generally	DOE					,	r togngibio i	10101100 2	.,,,,,,,					
Modify look-back method for long-term														
contracts	cci tyea DOE		-1	-2	-3	-4	-4	-4	-4	-5	-5	-5	-14	-37
Minimum tax treatment of certain property and	00, 1, 02 2 0 2		•	-	·		•	•	•	•	ŭ	. •	. ,	O,
casualty insurance companies	tyba 12/31/97	***	-1	-2	-3	-3	-3	-3	-3	-3	-3	-3	-12	-27
Provide for exclusion for construction	1904 1201101		•	-	•	•	·	•	Ū	Ū	•	J	12	۷,
allowances provided to lessees	leia DOE						Negligible i	Revenue F	-Hert				<i></i>	
C. Provisions Relating to Partnerships	1014 5012						, regilgible i	10701100 2	-11001					
Simplified reporting to partners	tyba 12/31/97		6	8	8	А	8	q	a	٠. ۵	Q	Q	- 38	83
Simplified audit procedure for large partnerships	tyba 12/31/97	•••	(9)	[9]	[9]	1	1	1	1	1	1	. 1	2	8
Due date for furnishing information to partners	tyba 1231/31		[9] .	[5]	[9]	1	1	•	•	•	. •		2	0
of large partnerships	tyba 12/31/97						No Box	onue Ette	ct					
Returns required on magnetic media for	tyba 12/3//3/	***************************************							L1					
partnerships with 100 partners or more	tyba 12/31/97						Negligible i	Dovogua S	Hoot					
Treatment for partnership items of individual	1904 12/01/07						Negligible	I ICYCIIUG Z	11001					
retirement accounts	tyba 12/31/97						Mo Pou	enue Effe	ot					
6. Other partnership audit rules	tyba 12/31/97		[2]	ומו	(3)	(0)				(2)	ioi	. 101	-1	-3
7. Closing partnership taxable year with respect to	tyba 12/51/9/		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-3
deceased partner	tyba 12/31/97	•••	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-1
D. Provisions Relating to Real Estate	tyba 1251151		[£]	[4]	[4]	[2]	زحا	[=1	[2]	(£)	[2]	[2]	-,	. •1
Investment Trusts														
Clarification of limitation on maximum number of	and the second						•							
shareholders	tyba DOE						Maaliaihla l	Davanua S	Hant					
De minimis rule for tenant services income	tyba DOE													
Attribution rules applicable to tenant ownership	tyba DOE						Negligible i Negligible i	Davanua E	Hact				· • • • • • • • • • • • • • • • • • • •	
Credit for tax paid by REIT on retain capital	Iyua DOE						ivegiigible i	neveriue E	Hect					
	tyba DOE						Negligible l	Qayanya f	-Haat					
gains	•		4								40	44		70
5. Repeal 30% gross income requirement	tyba DOE		-4	-5	-5	-6	-7	-7	-8	-9	-10	-11	-26	-72
<ol><li>Modification of earnings and profits rules for determining whether REIT has earnings and</li></ol>								_						
profits from non-REIT year	tyba DOE				· · · · · · · · ·		Negligible l	Revenue E	ffect					

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
7. Treatment of foreclosure property	h h - DOF		······	·										
9. Poyments under he deing instruments	tyba DOE						Negligible :	Revenue	Effect			<i></i> .	<b></b>	
8. Payments under hedging instruments	tyba DOE				• • • • • • •	• • • • • • • • •	Negligible i	Revenue	Effect			• • • • • • • •	• • • • • • • • • •	
9. Excess noncash income	tyba DOE		· • • • • • • •	• • • • • •	· • • • • • • •		Negligible i	Revenue	Effect	<i></i>	••••••			- <b></b>
10. Prohibited transaction safe harbor	tyba DOE		· • • • •											
11. Shared appreciation mortgages	tyba DOE		· • • • • • •		·		Negligible i	Revenue	Effect	. <b></b>		· •		
12. Wholly owned subsidiaries	tyba DOE		· • • • • • •	<b></b>	· • • • • • •		Negligible i	Revenue	Effect					
E. Provisions Relating to Regulated														
Investment Companies														
Repeal 30% gross income limitation for														
regulated investment companies	tyba 12/31/97		-12	-23	-27	-33	-38	-45	-53	-61	-71	-82	-134	-447
F. Taxpayer Protections							= -	,-	•	٠,	• •	-02	-134	-44
<ol> <li>Provide "reasonable cause" exception for</li> </ol>														
penalties	tyba DOE						Negligible I	Revenue	Effort					
<ol><li>Clarification of period for filing claims for refunds</li></ol>	tyea DOE						Nogligible I	Davague	Elfoot		* • • • •		· · · ·	• • • • • • •
Repeal authority to disclose whether a	,					,	vegiigibie i	nevenue.	E110C1			• • • • • • •		• • • • •
prospective juror has been audited	pca DOE		<b></b>				Na Day							
4. Clarify statute of limitations for pass-through	pou DOL	•••••				• • • • • • •	No Hev	enue Ette	Ct					• • •
entities	tuba													
5. Clarify procedure for administrative cost	tyba	******	• • • • • • •		• • • • • • •		No Rev	enue Effe	ct •		·			
	005													
awards	aca DOE		•				No Rev	enue Effe	ct			<i>-</i> -		• • • • • • •
returns or tax return information; notification of														
returns or tax return information; notinication of		_												
unlawful inspection or disclosure	voo/a DOE	[16]	[16]	[16]	[16]	[16]	[16]	[16]	[16]	[16]	[16]	[16]	[16]	[16]
SUBTOTAL OF SIMPLIFICATION PROVISIONS														
RELATING TO INDIVIDUALS AND BUSINESSES	***************************************	[16]	-147	-79	-83	-90	-97	-104	-114	-129	-140	-152	-500	-1,146
														•
I. SIMPLIFICATION PROVISIONS RELATING														
TO ESTATE AND GIFT TAXES														
<ol> <li>Gifts to charities of over \$10,000 exempt from</li> </ol>														
gift tax filing requirements	gma DOE			<i></i>		A	Nealiaible F	Revenue I	Effect					
<ol><li>Clarification of waiver of certain rights of</li></ol>						•								
									Effort					
recovery of estate tax from QTIP trust	dda DOE		• • • • • • • •	,		N	Jealiaihle F	Revenue l						
recovery of estate tax from QTIP trust	dda DOE aiii OBRA'90			,			Negligible F							
Transitional rules under section 2056A	aiii OBRA'90			• • • • • • •	· · · · · · · ·	· · · · · · · · · · · · · · ·			Effect • •			• • • • • • • • • • • • • • • • • • • •		• • • • • • • • • • • • • • • • • • • •
Transitional rules under section 2056A      Clarifications relating to certain disclaimers			-4	-4	-4					• • • • • • • • • • • • • • • • • •	-5	<b>-</b> 5	<b>-2</b> 0	-44
Transitional rules under section 2056A      Clarifications relating to certain disclaimers      Increase of amount of lapse of general power	aiii OBRA'90			• • • • • • •	· · · · · · · ·	· · · · · · · · · · · · · · ·			Effect • •			• <i>-</i> -5	-20	-44
Transitional rules under section 2056A      Clarifications relating to certain disclaimers      Increase of amount of lapse of general power of appointment not treated as release for	aiii OBRA'90 Dma DOE		-4	-4	-4	^ -4	Negligible F -4	Revenue E -4	-ffect -5	-5	-5			-44
3. Transitional rules under section 2056A  4. Clarifications relating to certain disclaimers  5. Increase of amount of lapse of general power of appointment not treated as release for purposes of estate and gift tax (5 or 5 power)	aiii OBRA'90			• • • • • • •	· · · · · · · ·	· · · · · · · · · · · · · · ·			Effect • •			5 -3	-12	-44 -27
<ol> <li>Transitional rules under section 2056A</li></ol>	aiii OBRA'90 Dma DOE tyba DOE		-4	-4	-4 -3	^ -4 -3	Negligible F -4 -3	Revenue E -4 -3	-5 -3	-5 -3	-5 -3	-3	-12	
3. Transitional rules under section 2056A	aiii OBRA'90 Dma DOE	······································	-4	-4	-4 -3	^ -4 -3	Negligible F -4 -3	Revenue E -4 -3	-ffect -5	-5 -3	-5 -3	-3	-12	
3. Transitional rules under section 2056A	aiii OBRA'90 Dma DOE tyba DOE dda DOE		-4	-4	-4	^ -3 ^	Negligible F -4 -3 Negligible F	Revenue E -4 -3 Revenue E	-5 -3	-5 -3	-5 -3	-3	-12	
3. Transitional rules under section 2056A	aiii OBRA'90 Dma DOE tyba DOE	· · · · · · · · · · · · · · · · · · ·	-4	-4	-4 -3	^ -4 -3	Negligible F -4 -3	Revenue E -4 -3	-5 -3	-5 -3	-5 -3	-3	-12	
3. Transitional rules under section 2056A	aiii OBRA'90 Dma DOE tyba DOE dda DOE dda DOE		-4	-4	-4	^ -3 ^	Negligible F -4 -3 Negligible F	Revenue E -4 -3 Revenue E	-5 -5 -3 -3	-5 -3	-5 -3	-3	-12	-27
3. Transitional rules under section 2056A	aiii OBRA'90 Dma DOE tyba DOE dda DOE dda DOE	·	-4  -3	-4 -3 -3	-3	-3 -3 A	Negligible F -4 -3 Negligible F -3	-4 -3 Revenue E -3	-3 Effect 3	-5 -3 -3	-5 -3 -3	-3 3	-12	-27
3. Transitional rules under section 2056A	aiii OBRA'90 Dma DOE tyba DOE dda DOE dda DOE	· · · · · · · · · · · · · · · · · · ·	-4	-4	-3	^ -3 ^ -3	legligible F -4 -3 legligible F -3	Revenue E -4 -3 Revenue E -3	-3 Effect 3 Effect	-5 -3 -3	-5 -3 -3	-3 -3	-12 -15	-27
3. Transitional rules under section 2056A	aiii OBRA'90 Dma DOE tyba DOE dda DOE dda DOE	· · · · · · · · · · · · · · · · · · ·	-4	-4	-3	^ -3 ^ -3	legligible F -4 -3 legligible F -3	Revenue E -4 -3 Revenue E -3	-3 Effect 3 Effect	-5 -3 -3	-5 -3 -3	-3 -3	-12	-27
3. Transitional rules under section 2056A	aiii OBRA'90 Dma DOE tyba DOE dda DOE dda DOE	· · · · · · · · · · · · · · · · · · ·	-4	-4	-4	^ ^ ^ ^ ^ ^ ^	Negligible F -4 -3 Negligible F -3 Negligible F Negligible F	-3 Revenue E -3 Revenue E Revenue E Revenue E	-3 -3 -3 -3 -3 -3 -3 -3 -3 -3 -3 -3 -5 -5 -5 -6 -6 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7	-5 -3 -3	-5 -3 -3	-3	-12	-27

										A CONTRACTOR OF THE PROPERTY O							
Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07			
12. Treatment of funeral trusts	tyba DOE		2	2	2	2	2	2	2	2	2	2	10	20			
13. Adjustments for certain gifts within 3 years of	7.					•						•					
decedent's death	dda DOE						No Re	venue Effe	oct		•••••		<b></b>				
under qualified terminable interest rules	dda DOE						- Negligible	Revenue	Effect								
15. Treatment under qualified domestic trust rules	•																
of forms of ownership which are not trusts	dda DOE						- Negligible	Revenue	Effect	- <i></i> -				· · · · · · · · · · · ·			
Opportunity to correct certain failures under section 2032A	DOE					<b>-</b>	- Nealiaible	Revenue	Effect				: 				
17. Authority to waive requirement of United States																	
trustee for qualified domestic trusts	dda DOE						· · · No Re	venue Effe	ect	· - · · · ·				.,			
SUBTOTAL OF SIMPLIFICATION PROVISIONS																	
RELATING TO ESTATE AND GIFT TAXES	***************************************		<b>-5</b>	-8	-8	-8	-8	-8	-9	-9	-9	-9	-37	-81			
XIV. SIMPLIFICATION PROVISIONS RELATING TO																	
EXCISE TAXES, TAX EXEMPT BONDS, AND																	
OTHER MATTERS	• .																
A. Excise Tax Simplification																	
<ol> <li>Increase de minimis limit for after-market</li> </ol>	•																
alterations for heavy truck and luxury car																	
excises	DOE						- Negligible	Revenue .	Effect				• • • • • • •				
<ol><li>Credit or refund for imported bottled distilled</li></ol>												•					
spirits returned to distilled spirits plant	fcq DOE + 90 days			. <b></b>			- Negligible	Revenue	Effect		•••••						
3. Authority to cancel or credit export bonds	•									•							
without submission of records	fcq DOE + 90 days						No Re	venue Effe	ect		• • • • • •		<b></b>	• • • • • • ·			
<ol><li>Repeat of required maintenance of records on</li></ol>																	
premises of distilled spirits plant	fcq DOE + 90 days						No Re	venue Effe	ect			<i></i>	<i></i>				
<ol><li>Fermented material from any brewery may be</li></ol>																	
received at a distilled spirits plant	fcq DOE + 90 days			· • • • • • •			<ul> <li>Negligible</li> </ul>	Revenue	Effect	. <i></i>							
6. Repeal of requirement for wholesale dealers in																	
liquors to post sign	DÓE					• • • • • •	No Re	venue Effe	oct	• • • • • •			<b></b>				
<ol><li>Refund of tax to wine returned to bond not</li></ol>																	
limited to unmerchantable wine	fcq DOE + 90 days				• • • • • •		- Negligible	Revenue	Effect	· · · · · · ·	·						
<ol><li>Use of additional ameliorating material in certain</li></ol>																	
wines	fcq DOE + 90 days				· . · · · · · ·		No Re	venue Effe	ect	· · · · · ·	• • - •			· · · · · · · · · ·			
Domestically produced beer may be withdrawn																	
free of tax for use of foreign embassies,								_									
legations, etc	fcq DOE + 90 days				• • • • • • •		<ul> <li>Negligible</li> </ul>	Revenue	Effect	· • - • •	· • •		• • • • • • • •				
10. Beer may be withdrawn free of tax for								_									
destruction	tcq DOE + 90 days						- Negligible	Revenue .	Effect								
11. Authority to allow drawback on exported beer	6 DOE - 60 do					•	M- D-	<b>-</b> "					•				
without submission of records	fcq DOE + 90 days						No He	venue Епе	eci		••••		· · · · · · · · · ·	• • • • • • • • • • • • • • • • • • •			
12. Imported beer or wine transferred in bulk to	fcq DOE + 90 days						At a milimite to	0									
brewery or winery without payment of tax	icq DOE + 90 days						· wegiigible	mevenue :	⊏⊓ <del>0</del> CI								
13. Authority for IRS to grant exemption from excise	DOE						No Da										
tax registration requirements	DUE						NO HO	vөпиө ∈П€	ici		• • • • • • •		· • • • • • • • • • • • • • • • • • • •				
(including ozone depleting)	DOE						No Po	venue E#c	act								
(moldoing ozono depieting)	DOL		<del></del>	<b>-</b>			110	FORUD ENG	rui •				· · · · · · · · · · · · · · · · · · ·				

Page 14

Provision	·	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	199
15. Replace truck excise tax ded	uction for tire														
value with tax credit for excis		1/1/98		66	94	96	97	99	404	400	455				
B. Tax-Exempt Bond Provision		171750		00	54	90	97	99	101	102	105	108	110	452	
1. Repeal \$100,000 limitation or															
proceeds from tax-exempt bo															
year exception from rebate	na 199003 ander	bia DOE		(0)		^	_	_	_						
Exclusion from arbitrage reba	ta for parainas on	DIA DOE		[2]	-2	-3	-5	-6	-8	-9	-10	-11	-12	-17	
bona fide debt service fund u															
bond rules	idei construction	No DOF				_									
Repeal of debt service based		bia DOE	***	[2]	-1	-2	-3	-3	-4	-5	-6	-6	-7	-9	
•															
investment in certain nonpurp	ose investments	bia DOE	• • • • • • • •		• • • • • • •			<ul> <li>Negligible</li> </ul>	Revenue	Effect	. <b>.</b>	,			
<ol> <li>Repeal of expired student loa</li> </ol>	n bond arbitrage														
rebate provisions	***************************************	DOE				• • • • • •	<b></b> -	No Re	evenue Eff	fect	· · ·				
C. Administrative Provisions															
<ol> <li>Clarify jurisdiction of Tax Cou</li> </ol>	rt with respect to														
overpayment determinations.	*************	DOE	*	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-15	
2. Clarify Tax Court jurisdiction	over interest								•	•	Ŭ	·	-5	-13	
determinations	***************************************	DOE						No Re	venue Eff	act					
3. Clarify net worth requirements								110 / 10	VOIIUO EII	001					
administrative or litigation co		DOE						No Do	wanua E#	in at					
4. Clarify Tax Court jurisdiction t	or independent	002						140 116	venue cn	eca				• • • • • • • •	• • • •
contractors		DOE						Ala aliaiteta	. n	r.,					
D. Other Provisions	***************************************	DOL						- ivegiigibie	<del>, He</del> venue	Ellect				· · · · · · · · ·	•
Extend due date for first quar	or actimated toy														
by private foundations		tube DOE			(01	701	/01								
Clarification of authority to with		tyba DOE		-2	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-2	
income taxes from salaries of															
employees		1/1/98		-2	-3	-1	-1	-1	-1	-1	-1	-1	-1	-8	
<ol><li>Certain notices disregarded u</li></ol>															
increasing interest rate on larg															
underpayments		1/1/98		-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	
<ol> <li>Oklahoma technical on Indian</li> </ol>															
and development incentives f															
10-year lives or less	***************************************	dwcorfpt 3/18/97	•••	-145	-30	8	27	23	20	20	. 19	18	16	-117	
SUBTOTAL OF SIMPLIFICATION		•									,,,			• • • •	
TO EXCISE TAXES, TAX EXEM		3	•												
OTHER MATTERS		470777722000000000000000000000000000000	***	-87	54	94	111	108	104	103	103	104	102	279	
TOUNICAL CORRECTIONS															
ECHNICAL CORRECTIONS	***************************************				_	***				***			***		
NCREASE IN PUBLIC DEBT LIM	T		<del></del> ,	_		***	•==		· 						
TOTAL			7	-4.409	-5,771		-27,241	-20,018		-29,721		*	-40,877	-84,087	-249

NOTE: Details may not add to totals due to rounding.

[Legend and Footnotes for JCX-35-97 appear on the following page]

## Legend and Footnotes for JCX-35-97:

Legend for "Effective" column:

aca = actions commenced after

aiiia = amounts includible in income after

aiii OBRA'90 = as if included in the Omnibus Budget

Reconciliation Act of 1990

aiii SBJPA = as if included in the Small Business Job

Protection Act of 1996

acty = all open taxable years

bia = bonds issued after

cci = contracts completed in

cfa = claims filed after

cia = contracts issued after

cseia = constructive sales entered into after

da = distributions after

da/a = distributions and acquisitions after

dda = decedents dving after

Dma = disclaimers made after

dma = disclosures made after

DOE = date of enactment

dofca = date of first committee action

dpoaa = dividends paid or accrued after

droaa = dividends received or accrued after

dwcorfpt = depreciation and wages claimed on returns filed prior to

eii = expenses incurred in

fcq DOE + 90 days = first day of the calendar quarter that begins at least 90 days after date of enactment

Itpoa = foreign taxes paid or accrued in

gma = gifts made after

gra = gross receipts after

gsta = generation skipping transfers after

icoa = involuntary conversions occurring after

iia = instruments issued after

teia = leases entered into after

lia = levies issued after

NOLgi = net operating losses generated in

oaa = obligations acquired after

pa = payments after

pca = proceedings commenced after

pcpa = property contributed to partnership after

pda = partnership distributions after

pma = payments made after

ppisa = property placed in service after

pra = payments received after

rd = returns due

rda = returns due after

rfa = returns filed after

roa = rentals occurring after (for returns open

on date of first committee action)

sa = severances after

sea = sales or exchanges after

sepda = sales and exchanges, and certain

partnership distributions after

spi = services performed in

ta = transactions after

Ta = transfers after

tyba = taxable years beginning after

tyea = tax years ending after

tybo/a = taxable years beginning on or after

tsoaiTg = tax shelters offered after issuance of

Treasury guidance

voo/a = violations occurring on or after

wpoifhma = wages paid or incurred for hires made after

30da = 30 days after

90da = 90 days after

[1] Considers interaction with HOPE tax credit proposal.

[2] Loss of less than \$500,000.

[3] Considers interaction with AD IRA proposal.

[4] Negligible revenue effect.

[5] Loss of less than \$5 million.

[6] Revenue estimate includes interactions with other educational savings provisions.

[7] Estimate includes interaction with welfare-to-work tax credit.

[8] All D.C. tax initiatives are contingent on the creation of an Economic Development Corporation in 1997; estimate assumes creation of such an economic development corporation and enactment of reforms to D.C. borrowing authority similar to that in the Administration's package.

[9] Gain of less than \$500,000.

[10] Loss of less than \$1 million.

[11] Considers interaction with proposal to allow bakery drivers to be treated as independent contractor for employment tax purposes.

[12] Estimate provided by the Congressional Budget Office.

[13] Assumes prior or concurrent passage of legislation to allow Virgin Island financing on parity basis.

[14] Provision would be effective for taxable years ending after the date of first committee action, for new suspense accounts, and taxable years beginning after that date for existing accounts. Balances in new accounts would be included in income over a 10-year period, and balances in existing accounts over a 20-year period. For existing accounts, the amounts included in income in any year would not exceed 50% of the taxable income of the taxpayer before the inclusion.

[15] Proposal may have outlay effects.

[16] Gain of less than \$1 million.